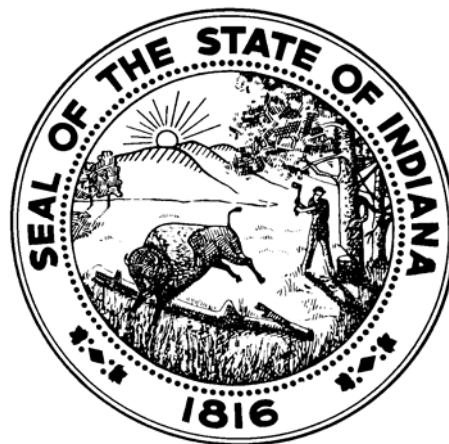


**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

REVIEW REPORT  
OF  
OFFICE OF THE INSPECTOR GENERAL  
STATE OF INDIANA  
January 10, 2005 to December 31, 2006



**FILED**  
01/31/2007



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#### AGENCY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Inspector General	David Thomas	01-10-05 to 01-11-09
Chairperson	David J. Hadley	08-31-04 to 10-11-05
	Clare K. Nuechterlein	10-12-05 to 09-01-09



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE OFFICE OF THE INSPECTOR GENERAL

We have reviewed the receipts, disbursements, and assets of the Office of the Inspector General for the period of January 10, 2005 to December 31, 2006. The Office of the Inspector General's management is responsible for the receipts, disbursements, and assets.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on the receipts, disbursements, and assets. Accordingly, we do not express such an opinion.

Financial transactions of this office are included in the scope of our audits of the State of Indiana as reflected in the Indiana Comprehensive Annual Financial Reports.

Based on our review, nothing came to our attention that caused us to believe that the receipts, disbursements, and assets of the Office of the Inspector General are not in all material respects in conformity with the criteria set forth in the Accounting and Uniform Compliance Guidelines Manual for State Agencies, and applicable laws and regulations.

STATE BOARD OF ACCOUNTS

January 18, 2007

OFFICE OF THE INSPECTOR GENERAL  
REVIEW COMMENT  
DECEMBER 31, 2006

CREATION OF THE OFFICE OF THE INSPECTOR GENERAL

On January 10, 2005, Governor Mitchell E. Daniels, Jr., issued Executive Order 05-03 creating the Office of the Inspector General (OIG). This was later codified through Public Law 222-2005, Sec.14. The OIG was created and assumed responsibility for addressing fraud, waste, abuse, and wrongdoing in state government. The State Ethics Commission continued to be the adjudicative body for all alleged ethics violations. The Inspector General is to provide staff for the State Ethics Commission and assumed the responsibility for investigating and initiating administrative, civil recovery, or criminal actions for alleged misconduct. Therefore, as of January 10, 2005, the State Ethics Commission is reviewed in conjunction with the OIG.

OFFICE OF THE INSPECTOR GENERAL  
EXIT CONFERENCE

The contents of this report were discussed on January 25, 2007, with David Thomas, Inspector General; and Dhiann Kinsworthy, Director of Finance. The officials concurred with our finding.